



HEALTH CARE FINANCING ADMINISTRATION
CENTER FOR MEDICAID AND STATE OPERATIONS

Disabled and Elderly Health Programs Group
Division of Integrated Health Systems
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January 1, 2002

Mr. Bob Sharpe
Deputy Secretary for Medicaid
Agency for Health Care Administration
2727 Mahan Drive
Tallahassee, Florida 32308

Re: FL12

Dear Mr. Sharpe:

We are pleased to inform you that the Health Care Financing Administration (HCFA) is approving, with certain conditions, your request to implement a §1915(b)(4) managed care waiver for serving individuals under 18 years of age in an inpatient psychiatric facility entitled, "Medicaid Inpatient Psychiatric Services for Individuals under age 18".

This approval decision is based on the evidence submitted to HCFA demonstrating that the state's proposal is consistent with the purposes of the Medicaid program and will meet all statutory and regulatory requirements for assuring beneficiaries' access to care, quality of services and waiver cost-effectiveness for §1915(b) programs. This approval provides for a waiver of sections 1902(a)(1), 1902(a)(10)(B) and 1902 (a)(23) of the Social Security Act (the Act) regarding statewideness, Comparability of Services and Freedom of Choice of Providers.

In accordance with your request, this approval grants the State of Florida waiver authority under Section 1915(b)(4) of the Act for a period of 2 years from January 1, 2002, through December 31, 2003. Florida may request that this authority be renewed for another 2 years at the end of this time period.

Based on our previous discussions, this approval is contingent upon the factors listed below:

INDEPENDENT ASSESSMENT

The state must arrange for an independent assessment of the §1915(b) waiver program with respect to access to care, quality of services, and cost effectiveness. The assessment must be submitted no later than 3 months before the expiration of this waiver authority, but preferably sooner. We will expect this document to be a detailed, comprehensive assessment of the waiver program. The state will share the planning document for the assessment with us prior to the start of the review, but no later than January 1, 2003.

MONITORING

Within 30 days after the approval of this waiver, the state will submit a schedule of monitoring activities and reports specified in Section IV, C.2.b-e, of the application, i.e., Access to Care and Quality of Services. The state must provide HCFA with copies of all reports at least quarterly, with the first report due April 30, 2002.

The state will develop and share with HCFA a system to monitor the capacity of regional inpatient psychiatric facilities, and will take proactive measures to continuously ensure the availability of inpatient psychiatric capacity.

CONTRACTING

The state agreed that it will comply with all Federal statutes and regulations relating to the procurement of contracted Residential Treatment Facilities (RTF's). The state assures that providers will be selected based on criteria that are consistent with access, quality, and the efficient and economic provision of covered care and services, so long as such restriction does not discriminate among classes of providers on grounds unrelated to their demonstrated effectiveness and efficiency in providing those services. If necessary, HCFA reserves the right to undertake an active role in the procurement process.

The state will provide to HCFA, for review and approval, its provider selection criteria prior to the commencement of the procurement process.

Within 45 days after the approval of this waiver, the state agrees to submit a copy of its procurement document and projected timeframe for negotiations. If so requested, the state shall provide HCFA with copies of all initial evaluations of all proposals submitted and subsequent documentation and evaluative criteria used to select a provider.

The state may provide the Atlanta Regional Office (RO) with a Model Contract for review and approval to be used as a template for future contracts. Should the state choose to develop a model contract it must be approved by the RO prior to the execution of any contract. Approval of the model contract does not constitute approval of individual provider contracts. The state shall submit a copy of each individual contract to the RO and the RO shall approve all contracts that do not deviate from the model contract. To the extent that a contract significantly deviates from the model the State will submit it in advance of execution for review and approval.

The state will provide HCFA's Atlanta Regional Office with copies of all final contracts for review and approval prior to execution.

Prior to the implementation of the project in each discrete area, the state must submit evidence that contracted providers have sufficient capacity to adequately serve the individuals expected to request RTF placement in the area. This evidence may be a comparison of the expected numbers of participants with the numbers of facilities in each region, and the associated capacity of each facility. In the event that demand for this service exceeds the capacity of contracted providers, the state will utilize fee-for-service providers until it has contracted with a sufficient number of providers.

The state will conduct stakeholder meetings in each geographic region prior to the implementation of the waiver program to ensure that stakeholder/participant input is included in the operational protocol.

HCFA will review and approve Utilization Management criteria prior to implementation of the waiver program.

The state will provide to HCFA a map of Florida that indicates the location of the contracted facilities, the boundaries of the ADM Districts, and the maximum time/distance from the outermost portion of each district to the facility(s) in that district. This map will be due to HCFA Regional and Central Offices by July 13, 2001, or 10 days after the completion of the procurement process.

The state will furnish to HCFA, by July 13, 2001, a timeline describing the implementation of the program in various geographic areas.

Cost Effectiveness and Data Collection

The Florida Agency for Health Care Administration will collect summary data on state plan and waiver services that are provided to participants in the Section 1915(b) waiver. The state will collect data to determine the annual number of recipients receiving waiver services, the type of waiver services provided and the number of service units provided. A report will be provided to HCFA annually, with the first report being due to the Atlanta Regional Office within 15 months after the effective date of the contracts.

The state will collect data on the cost of services provided to individuals under the waiver so that the cost-effectiveness estimates may be recalculated at the time of renewal. The data collection activities shall include the costs for Targeted Case Management services to individuals served by the waiver, the costs incurred by the Inpatient psychiatric facilities, and the cost of administering the waiver program. These costs will be reported to HCFA quarterly on the HCFA 64, using the appropriate waiver identification number for this waiver program (FL12).

We wish you continued success in the operation of your Medicaid program. If you have any questions regarding this action, please contact Tammi Levy-Cantor on (410) 786-2804 or my staff in the Central Office, or Roberta Kelley on (404) 562-7461 in our Atlanta Regional Office.

Sincerely,

/s/

Theresa A. Pratt

cc: Eugene Grasser, ARA Atlanta Regional Office